IMPORTATION OF SUPPLIES FOR CERTAIN VESSELS

July 3, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Кеодн, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 4145]

The Committee on Ways and Means to whom was referred the bill (H. R. 4145) to amend section 309 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1309), and section 446 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1446), having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

The amendment to the text of the bill strikes out all after the enacting clause and inserts a substitute which appears in the reported bill in italic type.

The other amendment modifies the title of the bill.

GENERAL STATEMENT

This bill is designed to accord specified foreign vessels treatment comparable to that now accorded foreign aircraft. Under present law, foreign aircraft can withdraw duty-free from bonded warehouses or continuous customs custody equipment and repair parts for installation on such aircraft. Such withdrawals are treated as an exportation for purposes of the tariff laws. This bill would permit similar treatment to the specified foreign vessels. Provisions similar to those contained in this bill have already passed the House in section 9 of H. R. 5505, the Customs Simplification Act of 1951.

This bill was reported unanimously by your committee.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTIONS 309 AND 446 OF THE TARIFF ACT OF 1930, AS AMENDED

SEC. 309. SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.

(a) Exemption from customs duties and internal-revenue tax.—Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal-revenue tax, or from any internal revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions, or for supplies (including equipment), maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and have of its possessions, where such trade by foreign aircraft is permitted.

(b) Articles of foreign origin may be entered or withdrawn from any customs bonded warehouse for consumption, or from continuous customs custody elsewhere than in a bonded warehouse free of duty or internal revenue tax as equipment or repair or replacement parts for (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business or actually engaged in foreign trade, or in trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, where such trade by foreign vessels is permitted.

[b] (c) Drawback.—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse and articles of domestic manufacture or production, laden as supplies upon any such foreign vessel or any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.

Ic] (d) Articles Removed in, or Returned to, the United States.—Any article exempted from duty or tax, or in respect of which drawback has been allowed, under this section or section 317 of this Act and thereafter removed in the United States from any vessel or aircraft, or otherwise returned to the United States, shall be treated as an importation from a foreign country.

[d] (e) RECIPROCAL PRIVILEGES.—The privileges granted by this section and section 317 of this Act in respect of aircraft registered in a foreign country shall be allowed only if the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States. If the Secretary of Commerce shall advise the Secretary of the Treasury that he has found that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges granted by this section and such section 317 shall not apply thereafter in respect of aircraft registered in that foreign country.

SEC. 446. SUPPLIES AND STORES RETAINED ON BOARD.

Vessels arriving in the United States from foreign ports may retain on board, without the payment of duty, all coal and other fuel supplies, ships' stores, sea stores, and the legitimate equipment of such vessels. Any such supplies, ships' stores, sea stores, or equipment landed and delivered from such vessel shall be considered and treated as imported merchandise: Provided, That bunker coal, bunker oil, ships' stores, sea stores, or the legitimate equipment of vessels belonging to regular lines plying between foreign ports and the United States, which are delayed in port for any cause, may be transferred under a permit by the collector and under customs supervision from the vessel so delayed to another vessel of the same line and owner, and engaged in the foreign trade, without the payment of duty thereon: Provided further, That nothing in this section shall be construed to limit or restrict the provisions of section 309 of this Act, as amended (U. S. C., 1946 edition, title 19, sec 1309, as amended).